

#### Article History:

Received: 2022-12-23  
Revised: 2023-01-21  
Accepted: 2023-03-17

## COMPARISON OF HALAL PRODUCT ASSURANCE SYSTEM CRITERIA ARRANGEMENT IN INDONESIA AND MALAYSIA

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#### Abstract:

This study aims to compare the halal product assurance system regulation that applies in two countries, Indonesia and Malaysia. The halal product assurance system in Indonesia has been regulated through Law no. 33/2014 in conjunction with Law no. 11/2020, Government Regulation No. 39/2021 and Decree of the Head of BPJPH No. 57/2021. Meanwhile, Malaysia's halal product assurance system is regulated in the 2011 PPE, Halal Takrif, procedure manual (MPPHM 2020) and Malaysian Halal Management System (MHMS 2020). This qualitative study uses legal research methods based on the statutory and comparative approaches, which are analyzed prescriptively to find novelty in the form of similarities and differences in the regulation of the halal product assurance system that applies in Indonesia and Malaysia. The similarity is that halal certificates are entirely the state's authority, and halal standards refer to Islamic law. The difference is that for now, Indonesia refers to HAS 23000 and the Decision of the Head of the Halal Product Assurance Agency (Kepkaban) No. 57/2021, the principle of traceability is not explicitly stated in Kepkaban Np. 57/2021. Malaysia refers to MHMS 2020. The principle of traceability is strictly included in the HAS, and "SERTU" is only intended for large and simple industries.

**Keywords:** Comparison, Arrangements, Halal Product Assurance System, Indonesia, Malaysia

Cite this as: SARIAH, LUTH, T., SUKARMI & HAMIDAH, S. (2023). "Comparison of Halal Product Assurance System Criteria Arrangement in Indonesia and Malaysia" International Journal of Environmental Sustainability and Social Science, 4 (2), 417 - 429.



## INTRODUCTION

The halal product industry is the focus of the government's attention. It can be seen from the government's efforts to issue a legal framework for developing the domestic halal product industry, one of which is the Halal Product Assurance Act. With Halal Product Assurance, business actors can increase added value to produce and sell their halal products. In addition, it can also increase product competitiveness in the global market to contribute to the nation's economic growth. To perfect the process of realizing halal product assurance, the government has ratified Law Number 11 of 2020 concerning Job Creation. Normatively, the purposes and objectives of the Job Creation Law are expected to be accompanied by the flexibility of laws and regulations, providing simplification of business licensing and business processes. Thus, this law also has many positive implications, including the acceleration of halal certification services, ease of financing halal certification for Micro and Small Enterprises (UMK), structuring authority, legal certainty, and encouraging ecosystem development. Halal in Indonesia. (Wajdi, 2021)

The approach used in this article uses a legislative approach as well as a comparative approach. (Rodelfo Sacco, 1991) The author will examine the similarities and differences in setting the criteria for the halal assurance system with traceability principles in Indonesia and Malaysia as

the novelty of this paper. Many articles have been published regarding the halal assurance system. However, specifically, those that discussed the criteria of the halal assurance system from these two countries have yet to be published. (Halal Assurance System: Comparative Study of Indonesia and Malaysia, 2019). Atiah and Fatoni's article published in 2019 discusses the Halal Assurance System using several old laws and regulations. For this reason, it is hoped that this article will add references for academics and business actors, both large, medium, small and micro businesses, to understand better the regulation of the halal assurance system in the two countries.

Law No. 34 of 2014 concerning Halal Product Assurance (will be referred to as JPH), enacted in 2014, makes halal certificates mandatory for every business actor. The law was effectively enacted in October 2019. Then the reason for increasing investment in Indonesia and accelerating Indonesia's economic growth, 2020 Law No. 11 of 2020 concerning Job Creation, was enacted. Article 48 of the Job Creation Law changes 25 articles in the JPH Law. The implementing regulations of the Law are Government Regulation No. 39 of 2021 concerning the Implementation of Halal Product Assurance, Decree of the Head of BPJPH (Halal Product Assurance Administration) No. 57 of 2021 concerning the Criteria for the Halal Product Assurance System (SJPH) (Kepkaban 57/2021). SJPH is one of the requirements to get a halal certificate. To maintain the continuity of the Halal Product Process (PPH), business actors are required to implement the Halal Assurance System (SJH) or what is now known as the SJPH criteria.

In practice, prior to the enactment of the JPH Law, halal certification was issued by the MUI (Indonesian Ulema Council) with LPPOM MUI (Indonesian Ulema Council Drug And Research Institute). Submitting a halal certificate to MUI refers to the HAS 23000 guideline. In contrast, after the enactment of the JPH Law, a halal certificate is issued by BPJPH (Akim et al., 2019) according to the SJPH criteria in Kepkaban No. 57/2021.

SJH HAS 23000 requires the importance of leadership and commitment from top management so that its implementation goes well. Top management must demonstrate leadership and commitment, establish, implement, and maintain food safety policies. (Purwanto et al., 2020)

One example of a company implementing SJH HAS 23000 is an industrial company engaged in packaged food in Tangerang. The company has implemented SJH HAS 23000 for 2 years as it is committed to maintaining its products' quality. Currently, some obstacles still need to be optimal in implementing HAS 23000, which can be seen from each internal audit implementation. There are still many findings. In 2018 there were 8 significant and 34 minor findings, while in 2019, there were 8 major and 45 minor findings. These findings indicate that the implementation of HAS 23000 could have been better. Based on information from several employees, they stated that the implementation of SJH HAS 23000 was not optimal because the involvement of top and middle leaders needed to be more optimal. (Purwanto et al., 2020)

Malaysia is widely seen and recognized as the world's most successful example in the development of the halal food industry, and its model has been regarded as the basis for the development of the halal food industry in many countries. The development of the halal industry in Malaysia began 36 years ago. At that time, the halal inspection was carried out by private companies appointed by the federal government. A public agency, the Department of Malaysia Islamic Development (Jabatan Agama Islam Malaysia or JAKIM), was later established, and all halal certification and audit activities are under the control of the federal state of Malaysia. As part of this effort, a halal industrial area was established as one of the pillars of Malaysia's halal industry development master plan. The Malaysian halal industrial park aims to improve the economic performance of member companies. It includes improving their performance in domestic and international markets, increasing awareness and enforcement of various certifications and standards, and enhancing product innovation. As a result of these efforts, Malaysia's halal industrial

park has benefited from more than 6 billion Malaysian Ringgit investments from 17 multinational companies and more than 80 small and medium-sized enterprises (Dubé et al., 2016).

In Malaysia, halal certificates are issued by JAKIM (Malaysian Islamic Progress Department) concerning the Deed of Trade (APD 2011) (Zakaria & Zubaidah Ismail, 2015) Halal definition 2011 (Jabatan Peguam Negara, 2011), MS 1500-2009 (D. of S. Malaysia, 2004), MS: 2400-3-2010 (Malaysia & Standard, 2012), MPPhM 2020 (JAKIM, 2020), MHMS 2020 (J. Malaysia, 2020).

Based on this description, this article will discuss the substantive similarities and differences in the regulation of the halal assurance system in Indonesia and Malaysia. It is important for business actors involved in the food industry in Indonesia and Malaysia who collaborate or invest in understanding and anticipating implementing the halal assurance system in both countries.

## METHODS

This research is qualitative (Norman K Denzin & Yvonna S. Lincoln, 1994) by using a doctrinal research method with a statutory and comparative approach. The data analysis used is prescriptive analysis. (Peter Mahmud Marzuki, 2005) This analysis is used to resolve legal issues related to setting criteria for the halal product assurance system applied in Indonesia and Malaysia and look for similarities and differences.

## RESULT AND DISCUSSION

**Arrangement of Halal Assurance System Criteria in Indonesia.** Law No. 33 of 2014 concerning Halal Product Assurance in conjunction with Law No. 11 of 2020 concerning Job Creation, PP No. 39 of 2021 concerning the Implementation of Halal Product Assurance, Minister of Religion Regulation No. 26 of 2019 concerning Providers of Halal Product Assurance Decree of the Head of BPJPH (Halal Product Assurance Agency) No. 57 of 2021 concerning the Criteria for the Halal Product Assurance System (SJPH) (Kepkaban 57/2021), further clarifies the urgency of the halal and haram issues in Indonesia. The regulation shows that three urgent institutions have the authority to carry out halal certification in Indonesia, namely BPJPH, LPH, and MUI. BPJPH has the authority to cooperate with one of the ministries and/or related institutions, the form of cooperation must be in accordance with the duties and functions of each ministry (Mohammed, 2021).

The impact on the implementation of the JPH Law is legal certainty in the implementation of halal product assurance, both from the setting of the application for halal certification to sanctions imposed on business actors who do not comply with this law. In addition, there are various functions and benefits for consumers to provide a good response that leads to the desired behavior to pay attention to products and interest in buying products. Meanwhile, producers can increase consumer interest in the products they produce. In the sociological aspect, the existence of the JPH Law is very strategic to create security and comfort for the community (producers and consumers). Arrangements for the storage, distribution, and presentation of halal products in accordance with legal procedures make it easier to serve Muslim consumers. The economic impact of the obligation for Halal certification for packaged products that apply to all business actors will open up business opportunities, and the products in circulation will be safe for consumption by the Muslim community. It is just that the state budget used for halal certification must be transparent, accountable and clear accountability (Ariny & Nurhasanah, 2020).

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HAS 23000 is a document containing LPPOM MUI halal certification requirements. HAS 23000 consists of 2 parts, namely Part I regarding Halal Certification Requirements: Halal Assurance System Criteria (HAS 23000:1) and Section (II) on Halal Certification Requirements: Policies and Procedures (HAS 23000:2). For companies that want to register halal certification with LPPOM MUI, both processing industries (food, medicine, cosmetics), slaughterhouses (RPH), restaurants, catering, kitchens, they must meet the halal certification requirements as stated in the HAS 23000 document. (MUI, 2021) However, after the enactment of the JPH Law, there was a change in the halal certification system. BPJPH is an institution formed to organize a halal product guarantee system.

Through the decision of the head of BPJPH No. 57 of 2021, the halal certification document refers to 5 (five) SJPH criteria, namely commitment and responsibility; ingredients; income tax; products; monitoring and evaluating. The SJPH criteria are the measurements that form the basis, assessment, or determination of halal product guarantees. The existing HAS document (HAS 23000) is still recognized. It must comply with the provisions of the decision of the head of this agency within a maximum period of 3 (three) years from the date of the decision of the head of this agency, namely on May 20, 2021, meaning until May 20, 2024, all business actors have adjusted the SJH to become SJPH criteria.

The following in table 1 and table 2 will describe SJH based on HAS 23000 and SJPH based on Kepkaban No 57/2021.

**Table 1. Halal Assurance System Criteria (SJH)**

No	SJH Criteria (HAS 23000)	Description
1	Halal Policy	Top Management must establish the Halal Policy and disseminate the halal policy to all company stakeholders.
2	Halal Management Team	Top Management must establish a Halal Management Team that includes all parties involved in critical activities and has clear duties, responsibilities and authorities.
3	Training and Education	The company must have a written procedure for the implementation of the training. Internal training must be carried out at least once a year, and external training must be carried out at least every two years.
4	Material	Materials used in the manufacture of certified products must not come from haram or unclean materials. The company must have supporting documents for all materials used, except for non-critical materials or materials purchased at retail.
5	Product	The sensory characteristics/profile of the product must not have a tendency to smell or taste that leads to haram products or that have been declared haram based on the <i>MUI</i> fatwa. The brand/product name registered for certification may not use a name that refers to something forbidden or worship that is not under Islamic sharia. Retail food products with the same brand circulating in Indonesia must be registered entirely for certification, not only partially registered.

6	Production Facility		a. Processing industry: (i) Production facilities must ensure that there is no cross-contamination with unclean/unclean materials/products; (ii) Production facilities can be used interchangeably to produce certified and uncertified products as long as they do not contain ingredients derived from pigs/derivatives, but there must be procedures to ensure that cross-contamination does not occur. b. Restaurant/Catering/Kitchen: (i) The kitchen is only devoted to halal production; (ii) The serving facilities and equipment are only devoted to serving halal products. c. Slaughterhouses (RPH): (i) RPH facilities are only devoted to the production of halal animal meat; (ii) The location of the abattoir must be significantly separated from the abattoir/pig farm; (iii) If the deboning process is carried out outside the abattoir, it must be ensured that the carcass only comes from a halal abattoir; (iv) Slaughterer must meet the requirements.
7	Critical Activity Procedure	Written	Companies must have written procedures for implementing critical activities, namely activities in the production chain that can affect the product's halal status. Critical activities may include the selection of new materials, purchasing of materials, an inspection of incoming materials, product formulation, production, washing of production facilities and auxiliary equipment, storage and handling of materials and products, transportation, displays, visitor rules, menu determination, stunning, slaughtering, adapted to the company's business processes (processing industry, slaughterhouse, restaurant/catering/kitchen). Critical activity written procedures can be integrated with other system procedures.
8	Traceability		Companies must have written procedures to ensure the traceability of certified products originating from materials that meet the criteria (approved by LPPOM MUI) and produced in production facilities that meet the criteria (free from pork/pork-derived ingredients).
9	Handling of Products that do not Meet the Criteria		The company must have a written procedure to handle products that do not meet the criteria. That is, they are not sold to consumers who require halal products, and if they are already sold, they must be withdrawn.
10	Internal Audit		The company must have a written procedure for internal audit of the implementation of SJH. Internal audits are carried out at least once every six months and are carried out by competent and independent internal halal auditors. The internal audit results are submitted to LPPOM MUI in the form of regular reports every 6 (six) months.
11	Management Review		Top Management or its representative must conduct a management review at least once a year to assess the effectiveness of SJH implementation and formulate continuous improvement.

Source: HAS 23000

**Table 2. Criteria Of Halal Product Assurance System (SJPH)**

No	Criteria SJPH (Kepkaban No. 57/2021)	Description
1	Commitment and Responsibility	Commitment and responsibility is a written statement from the company's top management to always focus on developing and implementing the SJPH Criteria, minimizing and eliminating everything that is not halal, and adapting to the development of laws and regulations/or MUI fatwas. The elements of commitment and responsibility include halal policy, top management and human resource development.

## 2 Materials

Materials are elements used to make or produce products required by SJPH, including: (a) raw material; (b) additive; (c) processing aid; (d) packaging, lubricants, grease, sanitizers that are in direct contact with materials or products; (e) washing aids in direct contact with production facilities to manufacture products; and (f) media for validation of the results of washing facilities that are in direct contact with materials or products.

## 3 Halal Product Process (PPH)

PPH includes location, place, and tools; PPH equipment and tools; PPH procedure

## 4 Product

Products include product packaging and labeling, identification and traceability.

## 5 Monitoring and Evaluation

1. Business actors must conduct an internal audit at least once a year to monitor the implementation of SJPH;
2. Business actors must conduct a management review to evaluate the implementation of SJPH;
3. Business actors must have internal audit procedures and management reviews;
4. Business actors must maintain evidence of the implementation of internal audits and management reviews must be maintained; and
5. Business actors must report the results of internal audits and management reviews under the provisions of BPJH.

Source: SJPH Criteria (Kepkaban 57/2021)

Based on the 2 (two) tables, there are differences in terms of HAS criteria. First, in terms of name, there was a name change from SJH to SJPH. It was under the title of the JPH Law. Second, the components of the SJPH criteria are more concise because the original 11 (eleven) criteria became 5 (five criteria). Third, in terms of substance, there are changes in explicit traceability in HAS 23000 while implicit in Kepkaban 57/2021. Fourth, from the elements of internal training, external training, internal auditors and management reviews. For more details, it can be seen in the following table:

**Table 3.** Comparison between HAS 23000 and SJPH Criteria (Kepkaban 57/2021)

No	Changes	HAS 23000	Kepkaban 57/2021
1	Name	SJH	SJPH
2	Components	11 Criteria	5 Criteria
3	Internal Training	Once a year	According to business needs
4	External training	Once every two year	According to business needs
5	Traceability	Explicit	Implicit (become one in the product criteria)
6	Internal Audit	Once every six months	Once a year
7	Management Review	Once a year	Provisions from BPJPH

Source: HAS 23000 and Kepkaban 57/2021 (processed by author)

The enactment of Kepkaban 57/2021 shows that all business actors running the halal assurance system must refer to the 5 SJPH criteria. These criteria are stated in the agency's decision (in this case, BPJPH). A decision is a statement of the will of a government organ to (execute) a specific matter intended to create a new legal relationship or change or delete an existing one. In simple terms, a decision can be defined as a unilateral public legal action from a government organ aimed at a concrete event (Ridwan, 2011).

**Arrangement of Halal Assurance System Criteria in Malaysia.** The term halal has been interpreted in the Trade Order (Takrif Halal 2011). According to this Order, the term halal means something that meets Islamic law, namely food or goods that are described as halal or explained by anything else, another expression to indicate that food or goods may be eaten or used by Muslims

as long as the food or goods are : (a) Does not and may not consist of or contain any part or object of an animal which is prohibited by Islamic Law for consumption by Muslims or which is not slaughtered according to Islamic law; (b) Does not contain anything unclean according to the Sharia Law; (c) Not in a drunken state according to the Sharia Law; (d) Does not contain any part of the human body or its products which are not permitted by Sharia Law; (e) Non-toxic or hazardous to health; (f) Not prepared, processed or made using equipment contaminated with faeces in accordance with Sharia Law; and (g) Not when preparing, processing or storing it in contact, mixing or near food that does not meet paragraphs (a) and (b) (Jabatan Peguam Negara, 2011).

Some of the laws related to halal products in Malaysia are the 2011 Trade Act, Trade Order (Perakuan dan Penandaan Halal) 2011, Trade Orders(Takrif Halal) 2011, Food Certificate 1983 (Akta 281) and Food Regulations Regulations 1985 and Food Hygiene Regulations 2009, Animal Act 1953 (Semakan 2006), Animal Orders (Pengimportan) 1962, Slaughterhouse certificate (Penswastaan) 1993, Local Government Act 1976, Local Authority Minor Act, Kastam Act 1967, User Protection Act 1999 (Akta 599) and the Penal Code (Akta 574). Apart from this law, there are also several guidelines used and referenced, such as Malaysian Halal Certification Procedure Manual, Malaysian Standard MS 1500: 2009 Halal Food-Production, Preparation, Handling and Storage-General Guidelines, Malaysian Standard MS 1514: 2009 Good Manufacturing Practice (GMP), Malaysian Standard MS 1480: 2007, Malaysian Standard MS 1480:2007 Food Safety According to Hazard Analysis and Critical Control Point (HACCP). The laws and guidelines in the halal certification procedures show a bond between each law in ensuring that the halal certification is of high quality and meets tayyib halal standards (Dimon, 2020).

The following is a table of developments in the formation of affiliated institutions in halal certification:

**Table 4. The Development of Halal Institutions in Malaysia**

No	Date	Descriptions
1	1 September 2002	The Federal Government has decided that halal certification is carried out by JAKIM entirely in the Islamic Food and Consumer Goods Research Division
2	November, 2003	new halal logo used by JAKIM and the Department of Islamic Affairs (JAIN)
3	17 November 2005	Division changed to Halal Hub JAKIM Divisi Division
4	2 April 2008	Halal Industry Development Corporation (HDC) takes over the management of halal certification in Malaysia
5	3 December 2018	The Halal Hub Division was expanded into two main divisions, namely the Malaysian Halal Council Secretariat (MHM) and the Halal Management Division (BPH)

Source: ([www.halaljakim.gov.my](http://www.halaljakim.gov.my). 26 Juli 2019)

LPH in Malaysia is the Halal Axis Division under the Malaysian Islamic Progress Department (JAKIM). JAKIM is an official government agency, and its performance follows the rules of the Government of Malaysia (Wajdi, 2021). From the implementation of Malaysia's halal certification above, it can be concluded that the State (Government) has handled and regulated the issue of halal certification. In Malaysia, the issue of halal is the full authority of the state. It is done to provide certainty and confidence that the state has guaranteed products that have been certified halal because halal certification is not only a religious issue but also an economic, trade, social and political issue (Yakub Aminudin, 2022).

Currently, from east to west, the halal industry has a large share in the manufacture of food and is increasingly global in the business world. Thailand, Singapore, Indonesia, Turkey, Malaysia, and Brunei are just a few examples where the government has paid full attention to halal food.

Malaysia, among those countries, has boosted its economy and opened up new opportunities to have a halal industry market. Today Malaysia is volunteering to improve the halal industry for others and become the world's halal hub. Because halal logos and certifications have a large market capacity, there is much work on food and halal certification. The current Malaysian standard, MS 1500, mentions halal food management, practical strategies for the food industry, its preparation, halal food business and obligations for halal standards and food trade. For halal certification, Malaysian practice with association MS 1480, food safety according to hazard analysis and critical control point system, and MS 1514, which is good manufacturing practice, these two important standards secure good and clean products for believers (Üyesi et al., 2019).

The establishment of halal certification in Malaysia is built on three general principles, namely:

- a. Developing an effective halal assurance management system focuses on minimizing and eliminating anything that is not.
- b. Emphasis on halal assurance management system through identification of Halal Critical Points (HPC) in the entire supply chain with constant control and verification.
- c. The halal assurance management system should include: (a) effective product recall procedures; (b) documentation of possible and effective product ingredient traceability; (c) a proper filing system for halal applications, documents, procedures and records to be established and made available for inspection by competent institutions. (Halal Assurance System: Comparative Study of Indonesia and Malaysia, 2019)

Several related institutions carry out the guarantee of halal products in Malaysia under the auspices of JAKIM. Affiliated institutions include health, agriculture, trade, environment and industry ministries. JAKIM also collaborates with international institutions such as the Halal Industry Development Corporation (HDC) under the Ministry of International Trade and Industry (MITI). HDC focuses on halal standards, promotion and branding, commercialization of halal products and services of halal products. JAKIM plays a very important role in protecting Muslim consumers in Malaysia, and it is JAKIM's responsibility to ensure that the products circulating are halal-certified. JAKIM must ensure the halal status of products at every stage and every process involved by conducting audits on raw materials and processes until the finished product reaches the consumer (Sukoso et al., 2020).

In Malaysia, halal is an official document that certifies the halalness of products and/or services according to halal issued by the competent authority. The Procedure Manual for Halal in 2020 (MPPHM 2020) contains guidelines for JAKIM and the state Department of Religion Inspection Officers (JAIN) or Islamic Religious Affairs Council (MAIS). This guideline aims to clarify the requirements that must be met. In managing Halal Certification, Manual procedures must be read together with halal standards, fatwa decisions and related regulations that apply. (Hosen & Lathifah, 2020)

Malaysia Halal (Domestic) Certification Procedure Manual 2020 (hereinafter referred to as the Procedure Manual (MPPHM 2020) issued under APD 2011 [UU 730] up to sub-paragraph 7 (2), Trade Description Order (Halal Certification and Marking) 2011. This Procedure Manual must be referred to and applied to companies and/or Malaysian Halal Certification applicants who: (a) are registered in the country or abroad; and (b) run a business or production of products and/or services in the country. This Procedure Manual should be referred to and read together with the 2020 MHMS Manual, MS, fatwas, related laws or regulations and circulars applicable to Malaysia Halal Certification (JAKIM, 2020)

MHMS 2020 means an integrated management system developed, implemented and maintained by an organization/company to manage products and services to maintain halal assurance through IHCS or SJH. Halal Assurance System (SJH). It means a set of procedures used

by an organization/company to achieve the goal of maintaining a comprehensive halal assurance. (J. Malaysia, 2020)

In Malaysia, Halal is an important certificate for the food business. For example, IKEA was raided in 2005 by religious, trade and police officers. It is because one of their forgotten sausages is not halal. After researching, they found that the company that supplied the sausages had Halal expired in early 2004. Therefore, IKEA closed its restaurant and performed a cleaning ritual (samak). They cut ties with the offending sausage companies and also asked all their food suppliers to renew and show Halal certificates. After their response was broadcast on the news, only then did the roar of anger across Muslim consumers subside. However, this reliability on certificates can also be beneficial if done well. The 2014 edition of Cadbury received state coverage for its alleged inclusion of pork in two of its chocolate products. The issue began when an image of the Ministry of Health's routine analysis report that had not been verified for Halal was spread on social media. The report shows positive swine testing on the product. It prompted JAKIM to revoke the Halal of both products and send officers to inspect all Cadbury factories in Malaysia. However, their investigation found that Cadbury's operations were actually Halal, and Halal was restored later that year. It shows that the halal food business can be easily destroyed due to the poor or lack of judgment of other entities. Therefore, the challenge of Halal is to improve Halal integrity. The responsible authority (JAKIM) must ensure that Halal is complied with by food companies. It includes ensuring all material suppliers have Halal certification. Based on the Cadbury incident, JAKIM was completely unprepared to investigate the case and decided to withdraw Halal without proper investigation. These actions have damaged JAKIM's credibility as Halal from a food company perspective. (Dahlan & Abdullah, 2017)

MHMS 2020 contains details of the implementation of MHMS, which includes the Internal Halal Control (SJH) system for small and micro industries; and the Halal Assurance System (HAS) for large and medium-sized industries. Implementing this MHMS places the onus on the company and/or the applicant to ensure that all Malaysian Halal Certification requirements are always met. The aim of MHMS is to describe in detail the need to develop, implement and maintain halal assurance to meet and comply with the Malaysian Halal Certification procedures. (J. Malaysia, 2020).

**Table 5.** Malaysian Halal Management System (MHMS 2020)

IHCS (Small and Micro Industries)	HAS (Big and Simple Industries)
1. Halal Policy	1. Halal Policy
2. Raw material control/halal risk control	2. Internal Halal Committee
3. Traceability	3. Internal Halal Audit
	4. Halal Risk Control
	5. Raw Material Control
	6. Halal Training
	7. Traceability
	8. Review HAS
	9. Laboratorium Analysis
	10. <i>Sertu</i> (process of purifying something from <i>najis mugholadzoh</i> )

Source: MHMS 2020

Various challenges faced in halal certification that need immediate attention from various stakeholders, among others:

1. Difficulties in obtaining halal ingredients by the certified food industry. Most of the certified food industry files a complaint or the validity of the certificate's expiration date held by the ingredient. Therefore, most certified food industries end up replacing ingredients without JAKIM's knowledge. It led to the deregistration of several companies that were victims of this situation.
2. Most of the local Muslim workers are not ready to work in restaurants because of the low income they offer. Food companies are only ready to hire people who want to increase their income. Therefore, for local Muslim workers to be employed, they must have the experience and skills to try to grow the food industry. Therefore, the procedure needs to be reviewed by JAKIM.
3. In addition, most of the management of the food industry and their workers need to gain knowledge of the halal concept. It has resulted in non-compliance in some food industries after certification. (Young et al., 2020)

**Comparison of Indonesia's Halal Assurance System with Malaysia.** The reason for comparing SJH with Malaysia is because the growth of the halal food industry in Malaysia is very fast, partly because companies implementing Halal Food Standards (HFS) are not merely religious obligations but are also driven by safety, quality and marketing motives. (Ab Talib & Ai Chin, 2018)

Malaysia is one of the leading countries for halal standardization, but there are still many problems and complexities regarding halal standards, certifications, logos, etc. Most of these problems are related to halal sensitivity among the Muslim community. Malaysia is doing its best to establish and promote the halal industry to both Muslim and non-Muslim countries. It is an excellent example of a multi-racial and multi-religious country and a pioneer in practicing halal standards when we see HDC halal management taking authority from JAKIM. (Üyesi et al., 2019)

The halal assurance system in Indonesia and Malaysia has similarities and differences. The equation is Indonesia and Malaysia. The halal issue is the full authority of the state. It is done to provide certainty and confidence that the state has guaranteed products that have been certified halal because halal certification is not only a religious issue, but also an economic, trade, social and political issue. (Hidayah et al., 2022), Another similarity is that Indonesia and Malaysia have standard halal systems that refer to the Islamic legal system (madzhab shafi'i).

So, in addition to having similarities, there are some differences in this case. The difference is that currently, SJH in Indonesia refers to 2 (two) systems, namely HAS 23000 and Kepkaban 57/2021. These guidelines are used for all micro, small, medium and large business actors. The traceability aspect is explicitly stated in HAS 23000, while in Kepkaban 57/2021, the traceability aspect is not explicitly stated in the HAS component. It is feared that this will provide opportunities for business actors to abuse the essence of halal certification and assume that traceability is not part of SJH. Meanwhile, in Malaysia, SJH refers to MHMS 2020. The 2020 MHMS includes the Internal Halal Control (SJH) system for small and micro industries and large and simple industries. The principle of traceability is strictly included in the HAS component, while sertu is only intended for large and simple industries. In detail, these differences can be seen in the following table:

**Table 6. Comparison of Indonesia's Halal Assurance System with Malaysia**

NO	INDONESIA		MALAYSIA (MHMS 2020)	
	SJH HAS 23000	SJPH KEP. 57/2021	IHCS (Small and Micro Industries)	HAS (Big and Simple Industries)
1	Halal Policy	Commitment and Responsibility	Halal Policy	Halal Policy

2	Halal Management Team	Material	Raw Material Control/Halal Risk Control	Internal Halal Committee
3	Training and Education	Halal Product Process	Traceability	Internal Halal Audit
4	Material	Product		Halal Risk Control
5	Product	Monitoring and Evaluation		Raw Material Control
6	Production Facility			Halal Training
7	Critical Activity Written Procedure			Traceability
8	Traceability			Review HAS
9	Handling of Products that do not Meet the Criteria			Laboratorium Analysis
10	Internal Audit			<i>Sertu</i> (the process of purifying something from <i>najis</i> )
11	Management Review			

Source: HAS 23000, Decree 57/2021 and MHMS 2020

Although Malaysia is already leading in halal standardization, the Malaysian government still has challenges in developing the halal industry, namely (1) providing an understanding of the concept and law of halal to Muslim and non-Muslim entrepreneurs. (2) provide an understanding to users and the Malaysian public in general about the halal certification process and the jurisdictions and roles of each of the bodies involved. For example, based on information from JAKIM in 2009, it was found that 1,907 applications were received from entrepreneurs to obtain halal certificates. Of this number, only 622 applications were received from Bumiputera entrepreneurs and the rest, namely 1,285 more applications from non-Bumiputera entrepreneurs. Of the 622 applications for Bumiputera entrepreneurs, only 301 managed to obtain a halal certificate. This number is very small compared to the actual number of Bumiputera SME entrepreneurs actively doing business in the country. (3) overlapping jurisdictions between institutions. (4) law enforcement of halal. (5) Malaysian Halal preparations. (Soraji et al., 2017).

## CONCLUSION

Based on the description above, that halal certificates in Indonesia and Malaysia are entirely the state's authority (BPJPH and JAKIM). Before obtaining a halal certificate, business actors must prepare several documents, including SJH. SJH is a set of procedures companies use to achieve the goal of maintaining a comprehensive halal assurance and a requirement for registration of a halal certificate. The HAS guidelines in Indonesia and Malaysia generally have similarities. Namely, the halal issue is the full authority of the state, where the state commits to carry out SJH, internal audit, training, materials, PPH, and management review. This is done to provide certainty and confidence that the state has guaranteed products that have been certified halal because halal certification is not only a religious issue, but also an economic, trade, social and political issue. Another similarity, Indonesia and Malaysia both have a standard halal system that refers to the Islamic legal system (syafi'i school). While the difference refers more to the 2 (two) systems, namely HAS 23000 and Kepkaban 57/2021, the transition period until 2024. These guidelines are used for all business actors, micro, small, medium and large.

Furthermore, the traceability aspect is explicitly stated in HAS 23000 while in Kepkaban 57/2021 the traceability aspect is not explicitly stated in the SJPH component. Meanwhile, in Malaysia, SJH refers to MHMS 2020, covering SJH for small and micro industries; and large and simple industries. The traceability principle is strictly included in the HAS component, while the

"SERTU" system is only intended for large and simple industries. As a suggestion, stakeholders, in this case, BPJPH, are expected to apply the traceability principle, which should be included in the SJPH criteria as one of the crucial components in halal certification. Traceability is the process of comprehensively identifying and tracking raw materials and products through each stage, including receiving, processing, storing, distributing, and others.

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